EXHIBIT TO 12-07

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March 12, 2007

Joint House and Senate Natural Resources Committees Hearing

My name is Tony Colter; I am the Plant Manager for Sun Mountain Lumber in Deer Lodge.

Thank you for giving us the opportunity to come here today and make this brief presentation on the Partnership Strategy for the Beaverhead-Deerlodge National Forest.

Tim Baker from the Montana Wilderness Association, and I will give a very high level description of what the Partnership is all about, and then several other Partners and supporters will tell you why it is important to them. Finally, we will have about 10-15 minutes to answer questions at the end of our presentation.

The Partnership is made up of the mainstream conservation groups in Montana and the Timber Industry on the Beaverhead-Deerlodge Forest who all have an interest in the outcome of the B-D Forest Plan. The names of those organizations and companies are listed on one of the posters.

This partnership was formed in response to the draft Beaverhead-Deerlodge Forest Plan which did not adequately address the issues which affect us. These issues are grouped into three main areas:

- 1. Timber Supply and jobs
- 2. Restoration, including problems associated with past logging practices and roads (fragmentation, sedimentation, and road densities).
- 3. And resolution of this decades old Wilderness debate and what is going to be done with road less areas.

Let me explain some of the differences between the Draft Forest Plan and our Strategy;

The Partnership Strategy has a restoration emphasizes with Stewardship Contracting as the primary tool to fund these activities. This tool allows money from the timber to be used in that area to fund various projects.

The Draft Beaverhead-Deerlodge Plan is primarily a conventional timber sale program which is highly constrained by an anticipated limited budget coming from congress.

The Partnership Strategy is a plan that addresses fragmented landscapes and areas of high road densities, excessive sedimentation, and the effects these things have on fish and wildlife. We are proposing treating larger landscapes, use only temporary roads which are closed or re-contoured and then not go back into that area for a long period of time.

The Beaverhead-Deerlodge Draft Forest Plan avoids thousands of acres needing restoration and management due to the Mountain Pine Beatle epidemic because their perception is that logging is too controversial.

Quite simply, the Draft Beaverhead-Deerlodge Forest Plan only perpetuates the controversies surrounding logging and the use of roadless areas instead of trying to resolve these issues.

The choice was really easy for us. On the one hand we have business as usual, continue the controversy, and nothing ever gets done. Or, get together and resolve our differences, have a plan that more people can support, and actually accomplish something on the ground.

So it was a sincere desire to solve these long standing controversial issues, which have paralyzed the Forest Service, which brought us together.

Now, unfortunately, not everyone was at the table, and we have been criticized for this by some groups.

Our intent from the very beginning was to get our differences resolved first then take our proposal to other interest groups including county commissioners and motorized recreation and get their input and make adjustments to the agreement if possible.

That process has been working fine with some groups and counties and not so good with others. Some didn't like the fact that they weren't at the table from the very beginning so have been difficult to open a dialogue with.

However, we are still trying to meet with those groups and get there input because ultimately additional Wilderness will take legislation and we would like to have their support.

That is a very high level overview of the Partnership Strategy. I would now like to turn the presentation over to one of the Partners, Tim Baker with the Montana Wilderness Association.

Side-by-side comparison:

| Partnership Strategy | | <u>Draft B-D Forest Plan (Alt.5)</u> |
|--|--------------------|--|
| Wilderness (acres) Suitable (acres) | 573,000 713,000 | 249,000 (existing plan 174,000) 215,688 (existing plan 676,000) |
| Restoration Emphasis, target high road densities and fragmented landscapes, temp. roads only | | Conventional (controversial) timber sale program |

Stewardship contracting as principle tool Large Landscape, minimal # entries

Approx. 7000 acres/year treated mechanically (Addresses Mtn. Pine Beetle epidemic)

Self-funding through stewardship contracts

Maximize growth and yield on smaller acreages, small scale treatments Fire primary vegetation management

Fire primary vegetation management tool, assumes prescribed burning not controversial

Requires appropriated dollars

Beaverhead - Deerlodge Partnership: Moving Montana Forward

The Partnership is a made-in-Montana solution from the timber industry and conservationists, providing jobs, healthier forests and reduced fire risk, clean water, and permanent protection for Montana's rugged backcountry and outdoor traditions.

The Montana Wilderness Association and Sun Mountain Lumber – with other conservation and industry partners* – have entered into the Beaverhead-Deerlodge Partnership Agreement, a joint proposal for the following on the Beaverhead-Deerlodge National Forest in southwest Montana:

- 573,000 acres in 18 areas of recommended Wilderness, with a commitment by the timber partners to support designation by Congress for these areas.
- 713,000 acres "suitable" for logging, with a restoration emphasis and under stewardship contracts (allowing timber receipts to be used for restoration activities including road obliteration, improving fish and wildlife habitats, trail maintenance and other projects). Logging activities will focus on the roaded landscape, mimic natural disturbances, and use only temporary roads.
- A net decrease in road densities, and clear limits on off-highway vehicle use to designated routes.

The Partners are asking the Forest Service to adopt much of the Agreement into the Beaverhead-Deerlodge Forest Plan, and will request that Montana's Congressional delegation carry legislation to implement the Agreement during the 110th Congress.

Since the Partnership Strategy was rolled out to the public in late April, it has received the praise of U.S. Senator Max Baucus and both Montana's Governor and Secretary of State, and support of seven county commissions (including four of the seven within the forest boundaries). Other supporters include the Montana Wildlife Federation, Rocky Mountain Elk Foundation, Montana Logging Association, and other groups.

The Partners continue to reach out to those interests that demonstrate a desire to move beyond the divisiveness of the past and forge a new direction in public lands management.

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^{*} National Wildlife Federation, Montana Trout Unlimited, R-Y Timber, Pyramid Mountain Lumber, Smurfit-Stone Container, and Roseburg Forest Products.